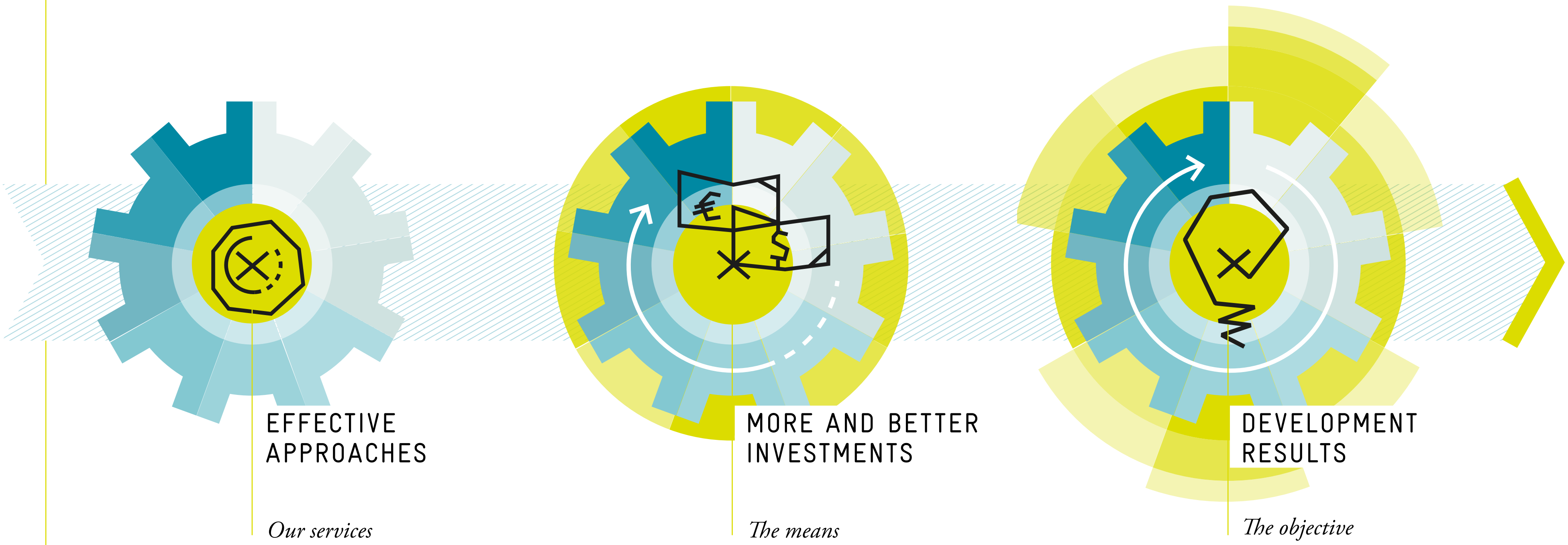
# Investment promotion by GIZ

The Sustainable Development Goals (SDGs) can be achieved only with significantly greater investment. The amount being spent and invested by countries around the world is not enough. **More private investments need to be mobilised** – including in developing and emerging countries. When local or international companies invest, they secure long-term employment, prospects and prosperity.

Through its **bespoke services**, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH has many years of experience in increasing the **volume and quality of investments** in partner countries. A socio-ecological and digital transformation of the economy through sustainable investments is essential, especially in the context of the coronavirus pandemic and climate change. Investments are not an end in themselves, but an important means to **sustainably improve living conditions and achieve development goals**.

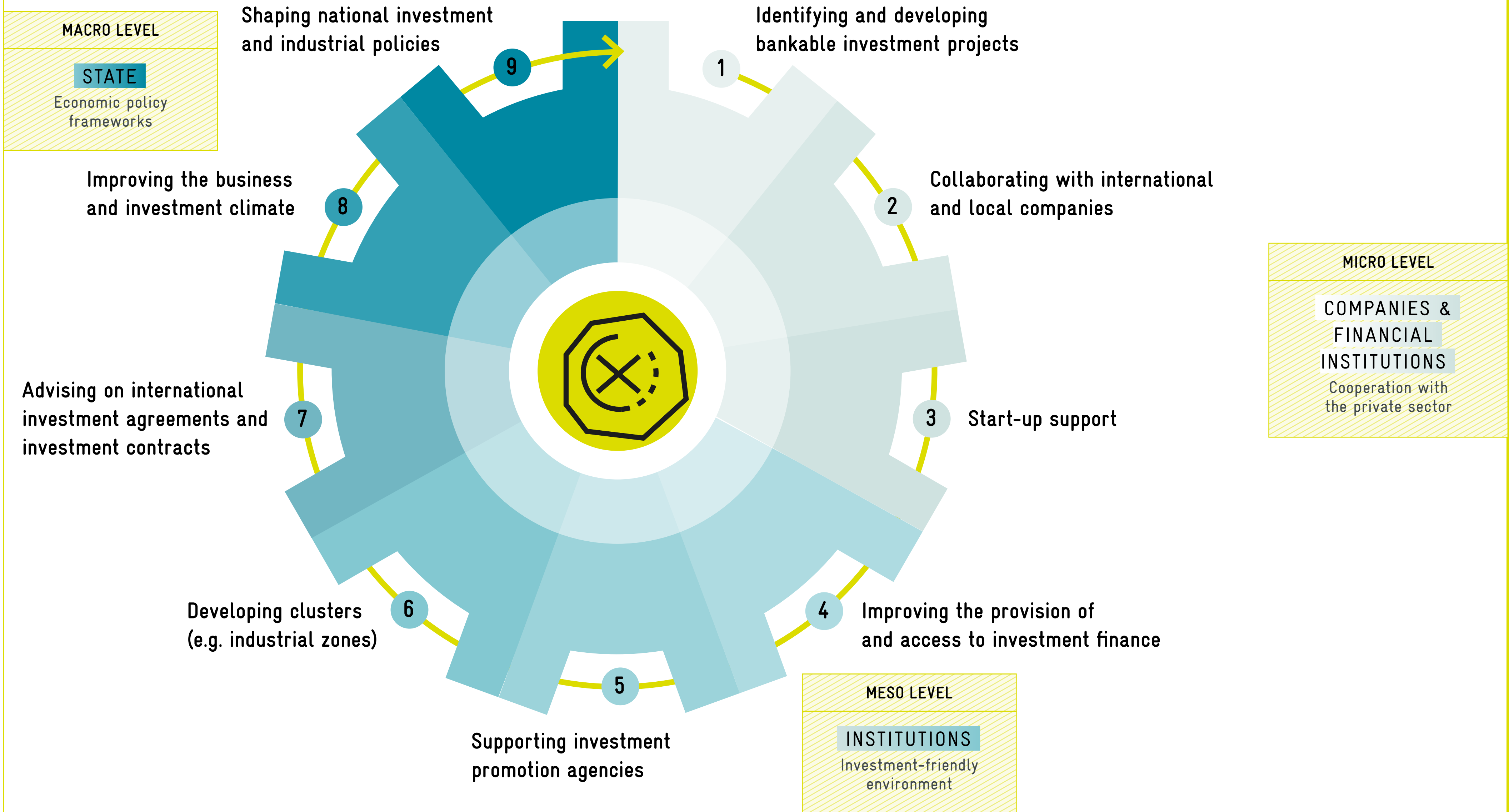


# GIZ's approach aims to:

- increase the volume and quality of investments in our partner countries. Quality here is focused on **economic, social and environmental impacts**, such as good jobs and higher incomes in sustainable industries.
- take a **holistic view** to promoting investment by **not only combating symptoms but also addressing causes** such as economic environments that inhibit investment or the reasons for a lack of investment financing.

*Woman assembling wire harnesses at the Fujikura automotive supplier in Comrat, Moldova. Together with the Moldovan Investment Agency and Gagauzia's regional investment agency, GIZ facilitated the 10,000 square metre brownfield investment that created more than 1,000 jobs.*

# GIZ's approaches and services to promote investment



| | HOW WE PROMOTE INVESTMENT | EXAMPLE IMPACTS OF THESE APPROACHES |
|---|---|---|
| 1 | We identify and develop investment projects with local and international companies, and provide advice on financial modelling and access to financing options. | With GET.invest, we have supported more than 210 investment projects between 2016 and 2021. So far, 70 of these have been successfully linked with financiers, with a projected investment volume of around EUR 1.2 billion. |
| 2 | We cooperate with local and international companies and improve the conditions for investments and their development results, for example by helping companies train local experts. | With the help of develoPPP, a European business and a local company in the Democratic Republic of Congo have trained technicians and agricultural workers and introduced environmental and Fairtrade certifications. The local company, which grows and processes aromatic plants, has become the largest employer in the region. |
| 3 | We promote business start-ups and thus future investments, for example through incubation programmes and developing business angel networks and crowdfunding initiatives. | With Make-IT, we have supported 468 tech start-ups from 26 countries in Africa since 2017. This has resulted in investments worth EUR 100 million and over 4,000 new jobs. |
| 4 | We improve the supply of and access to funding available for investments, for example by sustainably strengthening local financial institutions. | In Brazil, the FiBraS project is helping to make Latin America's largest financial sector more sustainable. Private loans to green sectors have increased by about 90 per cent since the project began, helping to mobilise private capital for investment. |
| 5 | We support investment promotion agencies to enable them to provide good long-term advice to investors. | The German-Tunisian Investment Partnership is strengthening Tunisia's national investment promotion agency. This has helped the agency to support 113 investment applications between 2019 and October 2021. The investment volume is equivalent to approximately EUR 2 billion and could potentially create more than 36,000 new jobs |
| 6 | We strengthen clusters and industrial areas so that companies find them an attractive and sustainable environment for investment. | In Egypt, GIZ is helping to improve the business environment for investors and the sustainability in industrial parks. Since 2015, more than 2,600 companies have been reached in seven selected industrial zones across the country. |
| 7 | We provide advice on bilateral and multilateral investment agreements as well as on specific investment contracts, for example by training the relevant administrations in partner countries in negotiating and implementing existing investment agreements. | With CONNEX, we support governments in negotiating high-volume investment contracts, for example by providing advice on investment financing models, primarily in the extractive and infrastructure sectors. The aim is to contribute to more stable investment contracts through negotiations on an equal footing. In Liberia, for example, this enabled the government to obtain an additional payment of USD 4.4 million and negotiate further tax revenues of at least USD 15 million. |
| 8 | We help governments improve administrative and regulatory frameworks, as these are considered in surveys of international investors as one of the greatest challenges for investment. This also includes strengthening financial market regulators and supervisory authorities. | In Mozambique, the procedure for issuing building permits was simplified in six pilot communities. This has reduced the average processing time from 56 days (in early 2016) to 11 days (at the end of 2018), which facilitates investment. |
| 9 | We develop economic policy strategies and measures to promote more and better-quality investments, for example by supporting the development of investment or industrial policy strategies and appropriate frameworks for the financial sector. | In Moldova, one of the ways we promote employment-relevant investments is through providing economic policy advice. Since 2016, this advice has led to 41 legislative amendments in line with social market economy principles. Specific barriers to investment have been removed and the investment climate improved. |

# GIZ's added value

The diverse expertise of our federal enterprise is in demand around the globe – from the German Government, European Union institutions, the United Nations, the private sector and governments of other countries. Our main commissioning party is the German Federal Ministry for Economic Cooperation and Development (BMZ). Our work in around 120 countries and our holistic approach make GIZ the ideal partner for sustainably promoting investments.

- For decades, we have trustfully and effectively **collaborated with German, international and local companies as well as financiers**.

- We have excellent **contacts with markets, governments and other actors as well as a global network** of cooperation partners and experts. This enables us to set up and implement relevant projects and collaborations quickly and effectively – even in exceptional situations such as the coronavirus pandemic.

- We address the **causes of investment barriers holistically**. We do this by providing economic policy and institutional advice, promoting industry clusters and investment promotion agencies, as well as by strengthening the financial sector and financial intermediaries.

- We aim not only to **increase the volume of investment**, but also to **improve its economic, social and environmental impacts**. Especially in the context of the coronavirus pandemic and climate change, a **socio-ecological and digital transformation of the economy is essential**.

*Gigawatt Global's project in Burundi was made ready for financing with the support of GET.invest. With an investment volume of EUR 12.7 million, the project will supply 87,000 people and businesses with clean electricity and increase the country's electricity capacity by almost 15 per cent.*

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